

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2295 - SB 2354

March 13, 2016

SUMMARY OF BILL: Prohibits the Department of Environment and Conservation (TDEC) from issuing permits for conducting surface mining on any land within 2,000 feet of a property line of a park or community education center; 500 feet of any property line that is not subject to the setback requirement of parks or community education centers; and 1,250 feet of any residential structure. Prohibits TDEC from issuing a permit to conduct surface mining on any land that is located within a one mile radius of any dam operated by the United States Army Corps of Engineers. Adds limestone to the definition of mineral.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code. Ann. § 59-8-206, surface mining permit fees consists of a \$250 application fee plus a \$25 per acre fee not to exceed \$2,500. The permits are typically issued for a term of five years and permit fees are deposited in the Surface Mine Reclamation Fund.
- According to TDEC, there are approximately 100 permitted surface mining operations in Tennessee.
- Based on the information received by TDEC, it is assumed that at least 10 of the 100 permitted surface mining operations would be at least 100 acres in size and not be eligible to renew permits as a result of prohibitions established in this bill.
- Pursuant to Tenn. Code. Ann. § 59-8-205 (a)(1)(G), surface mining operations in some cases must obtain a national pollutant discharge elimination system (NPDES) permit.
- Based on the information received by TDEC, it is assumed that at least 5 of the 10 operations will have NPDES permits and such permits will have terms of 5 years; a \$250 renewal fee; and a \$4,150 annual maintenance fee for the 100 acres. All fees are deposited in the Environmental Protection Fund.
- It is assumed that any decrease in revenue to the Surface Mine Reclamation Fund and the Environmental Protection Fund will be offset by an increase in revenue to such funds from additional mining permits that will be issued as a result of adding limestone to the definition of mineral. The net impact on state revenue is estimated to be not significant.

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- Any net impact on local severance tax collections will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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